



## A Message from the Commissioner HAPPY 30th BIRTHDAY BOND TELLER!



**T**he first edition of "The Bond Teller" came off the press just about the time that I joined the Bureau of the Public Debt and began to learn the details of Savings Bonds myself. Its purpose was, and still is, to keep you, the folks who handle Savings Bonds well informed and thus better prepared to serve your Savings Bonds customers.

The work you and your colleagues have done over the years is important, and most of all appreciated. To say that things have changed in the 30 years since the first "Bond teller" would be an understatement.

In the Savings Bonds program, for example, we have seen three new series of bonds introduced and moved from manual handling and recording of bonds to the streamlined processing of bond orders and redemptions.

Over the years you've helped millions of Americans save and invest for their future. More than \$240 billion in bonds have been purchased over those thirty years!

While much has changed, the key constant in the customer service equation is you: answering customers' questions and helping them with their bond transactions.

You've taken care of bond owners with the whole gamut of savings bonds transactions from issues, redemptions and exchanges to their need for more complex bond services.

I'd like you to know that we are continuously looking for ways to make your work easier by offering you new tools to price bonds and to get the information your customers need.

All of us at Treasury are grateful for your service. We also appreciate the support of the thousands of banks and thrift institutions that are the face of all Savings Bonds programs. Your hard work and commitment to your customers are key ingredients in the success of the Savings Bond program.

Thank you,

Van Zeck,  
Commissioner of the Public Debt

## BOND TELLER MARKS 30TH BIRTHDAY

**A** thirtieth birthday can be traumatic. But for "The Bond Teller" it's a note-worthy milestone to reflect on where we were and how far we've come. The first achievement is that the newsletter has survived as a valuable resource for you. We've documented thirty years of history and changes in not only the products – savings bonds – but also the ways in which they're processed. Here are a few highlights of the Savings Bonds story, as recorded for three decades in "The Bond Teller".

The founding editor, Norm La Cholter, published the first issue of our newsletter in October 1971. Three other editors have guided the publication of "The Bond Teller": Stephen Meyerhardt, 1972 to 1982 (currently Director, Washington District, Savings Bonds Marketing Office), Kathy Litwak, 1983, and Sheila E. Nelson, 1984 to present.

When the first newsletter was issued, more than 40,000 different agents actually issued Series E bonds. That meant they kept bond stock (actual bonds and a registration stub for each to record the sale) under lock and

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## BOND TELLER MARKS 30TH BIRTHDAY

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key, typed the owner's information on the bond, and handed it to the purchaser. For a time, Series H Bonds were available through cash sales as well as through exchange transactions, as now. In 1980, Series EE and HH Bonds replaced Series E and H Bonds.

The way savings bonds earn interest has been revised several times over the last 30 years. Each change was intended to improve the attractiveness of buying and holding savings bonds.

The education bond program introduced in January 1990 makes tax benefits available for qualified persons using bond principal and interest for higher education.

In September 1998 Treasury introduced the I Bond, a series indexed to protect bond owners' savings against inflation.

In addition to substantive changes in bonds, technology has definitely changed, streamlining savings bond procedures for everyone involved in the sale, issuance, and redemption of bonds.

Through the implementation of RDS and consolidation of servicing locations, bonds are now issued only through five Federal Reserve Banks: Buffalo Branch of the Federal Reserve Bank of New York, New York; Minneapolis, Minnesota; Kansas City, Missouri; Richmond, Virginia; and the Pittsburgh Branch of the Federal Reserve Bank of Cleveland. On the redemption side, the EZ Clear

program uses the check collection system to process redeemed savings bonds.



### Blast From the Past

Top: The original nameplate from 1971.

Editors past and present (clockwise): Stephen Meyerhardt (1972 - 1982), Kathryn Litwak (1983), Sheila E. Nelson (1984 - present).

streamlining? Yes, of course. Will your customers continue to need your help? Definitely. Can "The Bond Teller" newsletter continue to help you? Certainly. Just ask. It is our pleasure to serve. That's the future.

Online sales introduced through Savings Bond Direct offer many bond purchasers the flexibility of buying via the Internet. Electronic pricing programs, starting with CRV (Current Redemption Value) and now BondPro, are popular timesaving tools for tellers.

Will there be more

## UPDATE YOUR BondPro BY E-MAIL

The Bureau of Public Debt is asking BondPro agents to convert to the E-mail method of receiving updates to the tables of redemption values for savings bonds. The most recent addition to the BondPro pricing program, E-mail updates, are now the preferred way to receive new bond value tables.

Through the years, Public Debt has supplied several savings bond pricing tools. First, there were the paper redemption tables. Then, electronic pricing started with the CRV (Current Redemption Values) Program.

In early 1999, the newest pricing tool, BondPro, was introduced. It was designed to replace both the paper tables and CRV. BondPro replaces the redemption tables you've received for years. To get a paper table, you simply print it from BondPro. BondPro also does everything CRV does and more. To get a better look at the new tool, go to [www.bondpro.gov](http://www.bondpro.gov) and take the BondPro Tours.

Public Debt is committed to eliminating paper redemption table orders; BondPro is the replacement tool. The goal is to have all paying agents using BondPro by May 2002.

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### Change of Address

*Editor: Please change the mailing address*

*From: (Recipient please affix old label here or provide the identification number printed above the address on the label.)*

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Please change the number of copies I receive from \_\_\_\_\_ to \_\_\_\_\_*

*\_\_\_\_\_ I no longer wish to receive "The Bond Teller."*

# CASHING A U.S. SAVINGS BOND?

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## Responsibility

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- Your financial institution is required to cash savings bonds or notes eligible for payment for a customer with the required identification. Keep the check list on the reverse of this page for handy identification reference. For purposes of the check list **customer is defined as any person presenting bonds for payment at your financial institution, whether or not they have an account with you.**
- Payment to beneficiaries and legal representatives is optional.
- You may NOT cash bonds/notes for anyone acting under a power of attorney. Those transactions must be forwarded.

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## Why This is Important

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If you cash a bond or note incorrectly, your financial institution is liable for the loss (unless Treasury determines the loss wasn't due to fault or negligence on your part).

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## Remember

<b>L</b> og ID used.	Make adequate notation of the customer identification used.
<b>O</b> ver \$1000, photo ID is not sufficient.	If the total redemption value of the bonds is over \$1000, you must know your customer. Photo identification is not acceptable.
<b>V</b> erify account, open at least 6 months if used for ID.	Make sure the customer account has been open a minimum of 6 months before using the account for identification purposes.
<b>E</b> liminate paying on the basis of a power of attorney.	Send the request and power of attorney document to a Federal Reserve Bank.

For complete instructions concerning acceptable identification and adequate notations, see PD F 3900, *Identification Guide For Cashing United States Savings Bonds*.

## QUICK CHECK LIST

<input checked="" type="checkbox"/> <b>Check each bond to be sure it is eligible for payment.</b>		
Is it a series you can cash? Is the issue date valid for series?	You may cash Series E, Savings Notes, Series EE and Series I. <ul style="list-style-type: none"> <li>Series E: May 1941 – June 1980</li> <li>Savings Notes: May 1967 – October 1970</li> <li>Series EE: January 1980 to date</li> <li>Series I: September 1998 to date</li> </ul>	
Is the issue date at least 6 months prior to today's date?	Bonds must be at least 6 months old to be eligible for redemption.	
<input checked="" type="checkbox"/> <b>Make sure you have a good request for payment.</b>		
Is the customer named as owner or co-owner on the bond?	You are required to cash bonds eligible for payment for an owner or co-owner with adequate identification. If the customer is not named as owner or co-owner, do NOT use this Quick Check List, see PD F 3900, Identification Guide For Cashing United States Savings Bonds instead.	
Has the customer signed the request for payment in your presence? Does the signature EXACTLY match the name on the bond?	If not, have the customer sign (or resign) the request. <ul style="list-style-type: none"> <li>Some differences are obvious, e.g., Robert for Bob; just have the customer re-sign</li> <li>If it's not obvious, ask.                         <ul style="list-style-type: none"> <li>If the explanation makes sense, e.g., married name versus maiden name, note the explanation with the signature.</li> <li><b>If the explanation doesn't satisfy you, e.g., names spelled differently, don't cash the bond.</b></li> </ul> </li> </ul>	
Is the social security number on the bond the customer's?	If not, have the customer enter his/her number on the back of the bond.	
Is the address on the bond the customer's current address?	If not, have the customer enter his/her current address on the back of the bond.	
<input checked="" type="checkbox"/> <b>Require adequate identification.</b>		
Does the customer have an account at your financial institution.	For identification purpose, an established customer must <ul style="list-style-type: none"> <li>have an account at your bank for at least 6 months and</li> <li>a signature on file that compares favorably to the signature on the bond.</li> </ul>	
Is the customer with another person who is an established customer of your bank (with an account open at least 6 months) or is the customer someone known to an officer of your bank?	For identification purposes, <ul style="list-style-type: none"> <li>the source and duration of the acquaintance between the identifier and customer must be such as to make the identification reliable (personal identification based on casual acquaintance is not reliable, e.g. a brief landlord-tenant relationship, or identifications made of patrons by owners or employees of hotels, bars, restaurants, bowling alleys, etc.) and</li> <li>the identifier must know the customer by the name on the bond.</li> </ul>	
Does the customer have one of the following forms of documentary identification? <ul style="list-style-type: none"> <li>Motor vehicle operator's license</li> <li>State-issued identification card</li> <li>Employer identification card</li> <li>Craft/trade license issued by state or local government, e.g., to barber, cab driver, electrician, etc.</li> </ul>	For identification purposes, documentary identification is acceptable <ul style="list-style-type: none"> <li><b>only for payments of \$1000 or less,</b></li> <li>if the picture and/or physical description compares favorably to the customer,</li> <li>if the signature on the identification compares favorably to the signature on the bond</li> <li>if the document is countersigned or otherwise validated.</li> </ul> For others types of documentary identification, see PD F 3900, <i>Identification Guide For Cashing United States Savings Bonds</i> .	
OR		
<input checked="" type="checkbox"/> <b>Make an adequate notation of the identification used.</b>		
To be adequate, a notation must <ul style="list-style-type: none"> <li>be recorded on the bond or in a separate record at the time of payment and</li> <li>be sufficiently detailed to permit, at a later date, a determination of the exact identification used.</li> </ul>	SAMPLES:  for account --- , "Ck Acct 3421, 4/1/80" for personal identifier --- "John Smith 98 Oak St, ex-college roommate, 10 yrs." for documentary identification --- "NY D/L A07346-99753-738826"	

For complete instructions concerning acceptable identification and adequate notations, see PD F 3900, *Identification Guide For Cashing United States Savings Bonds*.

## HELPFUL LINKS

Did you know there's a savings bond website just for you? Our Financial Institutions' home page is just a click away...at [www.savingsbonds.gov](http://www.savingsbonds.gov).



You'll find everything you ever wanted to know about U.S. Savings Bonds! The site offers bond pricing tools, information about issuing and redeeming bonds, current rates, forms, answers to frequently asked questions, and much more... If you can't locate something, just e-mail us and we'll be happy to help you.



If you're in a hurry and want to go directly to the source, use this handy quick reference list:

<b>Savings Bond Home Page</b> <a href="http://www.savingsbonds.gov">www.savingsbonds.gov</a>	<b>Identification Guide</b> <a href="http://www.savingsbonds.gov/sav/sav3900.htm">www.savingsbonds.gov/sav/sav3900.htm</a>
<b>Bond Teller</b> <a href="http://www.savingsbonds.gov/sav/savbtell.htm">www.savingsbonds.gov/sav/savbtell.htm</a>	<b>Current Interest Rates</b> <a href="http://www.savingsbonds.gov">www.savingsbonds.gov</a>
<b>Frequently Asked Questions</b> <a href="http://www.savingsbonds.gov/sav/savfaq.htm">www.savingsbonds.gov/sav/savfaq.htm</a>	<b>Forms</b> <a href="http://www.savingsbonds.gov/sav/savforms.htm">www.savingsbonds.gov/sav/savforms.htm</a>
<b>BondPro</b> <a href="http://www.bondpro.gov">www.bondpro.gov</a>	<b>Training Opportunities</b> <a href="http://www.savingsbonds.gov/sav/sbtraining.htm">www.savingsbonds.gov/sav/sbtraining.htm</a>
<b>Savings Bond Resource Guide</b> <a href="http://www.savingsbonds.gov/sav/sbrguide.htm">www.savingsbonds.gov/sav/sbrguide.htm</a>	<b>EZ Clear Information</b> <a href="http://www.savingsbonds.gov/sav/sbezclearhome.htm">www.savingsbonds.gov/sav/sbezclearhome.htm</a>
<b>Savings Bond Home Page for Financial Institutions</b> <a href="http://www.savingsbonds.gov/sav/savfi.htm">www.savingsbonds.gov/sav/savfi.htm</a>	

Clip this list and save it for future reference. Better yet, add these pages to your bookmark or favorites list so you can get to them instantly.

## SAVINGS BOND UNIVERSITY: HERE'S A NEW WAY TO LEARN ABOUT BONDS

Are you looking for a convenient way to learn about savings bonds, to learn how to handle bond transactions, and to better serve your customers? Then you need to enroll at Savings Bond University!

Savings Bond University is the newest addition to our Internet site, [www.savingsbonds.gov](http://www.savingsbonds.gov). After providing some basic enrollment information, students can begin taking courses covering topics such as:

- Features and Benefits of Savings Bonds
- Registering Savings Bonds
- Purchasing Savings Bonds
- Redeeming Savings Bonds
- Reissuing Savings Bonds
- Exchanging Savings Bonds
- Replacing Lost or Destroyed Savings Bonds
- Savings Bond Interest Rates.

Each course takes less than 20 minutes to complete and is followed by a brief quiz to test the student's understanding of the subject matter. After passing all of the quizzes, students graduate from the Savings Bond University and are prepared with the same basic information that's currently offered in the savings bond seminars offered by the Federal Reserve Bank. Students can work at their own pace—since it's always available online, they can complete courses when it's convenient for them or review courses when they need a refresher.

Savings Bond University also will provide online resources for additional information, such as the Savings Bond Resource Guide, a page of e-mail addresses for questions, a glossary of savings bond terms, and links to appropriate areas of our Internet site.

Stop by Savings Bond University campus today! You will find that learning about savings bonds has never been easier or more convenient!

## NOW THAT YOU ASK

**T**he following are questions sent to us by bondowners. Since Bond Tellers probably receive similar questions we thought we would share the answers with you.

**Q:** If the announced earnings rate for Series I savings bonds we buy today is 5.92% per year, compounded semiannually, will the interest rate be 5.92% for the entire 30 years, or does the rate fluctuate every 6 months?

**A:** The earnings rate is subject to change every 6 months. For the bonds you're referring to – Series I savings bonds issued in the months of May through October 2001 – the earnings rate is 5.92% per year, compounded semiannually, for the first 6 months only. Each Series I savings bond interest rate has two parts: a fixed rate that is that bond's fixed rate for thirty years and an inflation rate that changes every six months.

**Q:** How is a semiannual inflation rate determined?

**A:** A semiannual inflation rate is the percentage change over six months in the non-seasonally adjusted Consumer Price Index for all urban consumers: U.S. City Average for All Items (CPI-U).

**Q:** Does the bond owner have a choice of receiving a "fixed rate of return" or a "semiannual inflation rate" that varies every six months?

**A:** No, our most recent measure of inflation (the latest semiannual inflation rate) is combined as of each May 1 and November 1 with a bond's fixed rate to get the bond's earnings rate for a six-month period.

**Q:** Your online information at [www.savingsbonds.gov](http://www.savingsbonds.gov) says if you redeem a Series I savings bond after 18 months, you'll get 15 months' of earnings. Is this the first 15 months, or the latest 15 months?

**A:** The first 15 months' interest is included in an I bond's redemption value if cashed when it's 18 months old. The latest 3 months' interest is not included.

**Q:** When I bought an I bond in July 2001 I understood I would be getting 5.92% for the first six months even though that rate was announced in May 2001 and a new inflation rate is combined with my bond's fixed rate in November 2001, before my bond is six months old. Is the initial rate for my bond good for the first six months after I bought it, or does it change in November (and every May and November after that) when new rates are announced?

**A:** Your I bond issued in July 2001 has an earnings rate of 5.92% per year, compounded semiannually, for the first six months – that is, from July 1, 2001 to January 1, 2002. The new semiannual inflation rate announced as of November 1, 2001, will be combined with your bond's fixed rate – 3.00% per year, compounded semiannually – to produce your bond's earnings rate for the second six months – January 1, 2002, to July 1, 2002. The new semiannual inflation rate announced as of May 1, 2002, will be combined with your bond's fixed rate to produce your bond's earnings rate for the period July 1, 2002, to January 1, 2003.

**Q:** I have Series I savings bonds I bought just over 6 months ago. I think your online Savings Bond Calculator at [www.savingsbonds.gov](http://www.savingsbonds.gov) is really convenient and easy to use, but no matter how I use it, I get a value that is considerably below what I would have expected. Why?

**A:** Series I savings bonds that are redeemed before they're 5 years old are subject to a 3-month interest penalty. This means that if you redeem your I bond when it's 6 months old, its redemption value will include only the first 3 months' interest. An I bond cashed when it's 28 months old includes the first 25 months' interest. The redemption values shown by the Savings Bond Calculator are redemption values you would get if you cashed your bond on the redemption date or "value as of" date you select when using the Savings Bond Calculator.

**Q:** I have never been able to calculate the same combined rate you publish for I bonds. Can you tell me where on the web I can find the formula that you use?

**A:** The earnings rate is set by the following formula: Earnings rate = [Fixed rate + 2 x inflation rate + (Inflation rate x fixed rate)] x 100

Formula details are shown at our web address: [www.savingsbonds.gov/sav/sbirate2.htm](http://www.savingsbonds.gov/sav/sbirate2.htm)

**Q:** Why wouldn't the "Yield to Date" for my 6-month old Series I savings bonds be the same as the composite earnings rate announced for those bonds just prior to when I bought them?

**A:** For Series I savings bonds that are less than 5 years old, the redemption values and any yields to date shown in paper and electronic tables reflect a 3-month interest penalty. So the yield to date for the first 6 months would be less than the announced composite earnings rate because the yield to date reflects earning only 3 months' interest over 6 months. If you keep an I bond for at least 5 years, there is no longer any 3-month interest penalty.

**Q:** How is Series I savings bond interest compounded? For example, if a \$100 I bond earns interest of \$1.00 in the first month. Is the interest calculated on the \$100 or the \$101.00 amount for the second month?

**A:** Interest is compounded semiannually. During your bond's first 6 months, interest is based on the amount you paid for the bond. During the second six months, the bond earns interest based on what you paid plus your first six months of interest.

If your customers ask other questions about savings bonds, let us know by sending their questions to: Sheila Nelson, Editor, The Bond Teller, Bureau of the Public Debt, 999 E Street NW, Washington, DC 20239.



## EVERYONE WOULD LIKE TO FIND UNEXPECTED MONEY

**A**re your customers asking if their savings bonds are still earning interest? Maybe they didn't receive a gift someone sent because the bonds had the wrong address and the postal service has returned them as undeliverable. Maybe they have forgotten that they own bonds or that they should be receiving interest on their current-income bonds.

There is a way your customers can find out about their Treasury security holdings. Give them a hot tip ... it's called "Treasury Hunt".

The Bureau of Public Debt's "Treasury Hunt" website program was designed to help people find out whether they have savings bonds that have matured (stopped earning interest), whether the Treasury is holding a bond in their name that the postal service couldn't deliver or an interest payment that couldn't be delivered to their bank account and that was returned as undeliverable. And, as of last July, something new has been added. Your customers can search for information on matured unredeemed registered Treasury notes and bonds.

When customers mention savings bonds or marketable security accounts, tell them to visit "Treasury Hunt". A search can be initiated by clicking on the "Treasury Hunt" icon on the Savings Bond website, [www.savingsbonds.gov](http://www.savingsbonds.gov).

Besides finding your customers' money the goal of "Treasury Hunt" also is to help Public Debt find owners of unclaimed bonds. Investors enter their identification information on the website, and the database is searched. While over 99 percent of matured bonds have been cashed, those still outstanding are worth more than \$8 billion. Your customers can check "Treasury Hunt" to identify and ultimately claim bonds or interest payments not received. Or, they may find that they have matured bonds that have stopped earning interest. If that is the case encourage

your customers to cash their bonds and reinvest the proceeds so they can get their money working for them again. Information is added to this program each month, so customers should check the website more than once.

Because bond owners have successfully used "Treasury Hunt" to find undelivered savings bonds and savings bond interest, the Bureau of Public Debt expanded it to add paper registered marketable security records. Last July, approximately 10,000 accounts with matured unredeemed registered securities were added to the system. These are marketable Treasury notes and bonds issued before August of 1986 that pay a fixed rate of interest every six months until the security matures. These unredeemed marketables total about \$54 million.

To complete a search on marketable securities or savings bond accounts customers should provide a taxpayer identification number (TIN) and other registration information. If there is a potential match, on a matured savings bond, an undeliverable savings bond, a held interest account or an unredeemed marketable Treasury note or bond, the Bureau of Public Debt staff will follow up after the customer provides some information. One thing the program will not do, however, is search and provide information on lost bonds.

Public Debt will regularly add to "Treasury Hunt". Encourage customers to visit the website [www.savingsbonds.gov](http://www.savingsbonds.gov) often. This site contains several other applications to help bond owners determine the value of their savings bonds, final maturity dates, interest accrual dates and yield information and much, much more.

## REDEMPTION TABLE DATES TO CHANGE IN JUNE 2002

**I**n June 2002 redemption table publishing dates will change. The change will be made because of the way interest accumulates on bonds issued since May 1997. These bonds are subject to a three-month interest penalty if they are cashed before they are five years old.

With the penalty in place, there was a four-month period between the dates when we announced new interest rates (May and November of each year) and the dates when those rates first showed up in a bond's redemption value (September and March of each year).

The first bonds sold under these terms will reach the five-year point in May 2002. When these bonds are no longer subject to penalty, we'll only see a one-month period between the dates of the new interest rates (May and November) and the dates these rates first affect a bond's redemption value (June and December). For this reason future six-month tables will be dated June through November and December through May.

The redemption tables that are now in effect are dated September 2001 through February 2002. A transition table good for three months will be issued in March 2002. This will be in effect through May 2002. The new six-month tables will be issued in June 2002.

Copies of the abbreviated redemption tables, PD F 3600, will be issued on the same schedule. Customers may request copies from: Bureau of Public Debt, Parkersburg, WV 26106-1328.

### CURRENT BOND INFORMATION

Current savings bonds information can be obtained by calling the toll-free recording 1-800-4US-BOND (1-800-487-2663). The caller receives a choice of five messages in either English or Spanish. Subjects covered are: Series I rates, Series EE rates, bond maturities, a mailing address to write for information or forms, and an internet address.

## CUSTOMERS HAVE PRICING TOOL CHOICES

**W**hat pricing tool do you suggest to customers who want to calculate their savings bonds values at home? As a financial institution, you may use our BondPro software; however, it's not available to the general public. Instead, point your customers to the Bureau of the Public Debt's website

[www.savingsbonds.gov](http://www.savingsbonds.gov). On this site, your customers can find links to two electronic pricing programs, the Savings Bond Calculator and the Savings Bond Wizard. While there are many similarities between the Calculator and the Wizard, the differences will determine the best tools to meet your customer's needs.

Features	Online Calculator	Savings Bond Wizard
Operating Systems	Most	Windows Only
Where program resides	Online	On your computer's hard drive
Current value, interest, final maturity date	✓	✓
Series E, EE, I, and Savings Notes	✓	✓
Series H and HH	No	✓
Current Interest Rate	✓	No
Yield From Issue	No	✓
Sort	No	✓
Edit	No	✓
Updating inventory	Automatic when file is retrieved	Done from within the program by user
Past redemption values	Back to 1996	Back to 1992
Good for a lot of bonds?	Can slow down as pages are generated	✓

Only your customer will know which of the two programs is right for them. Pointing them to Public Debt's website is definitely a good start.

## UPDATE YOUR BondPro BY E-MAIL

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Thanks to you, our agents, we're getting closer and closer to that goal. We continue to contact agents to change their pricing method and to change their method of receiving updates.

Currently, you can receive updates by diskette, by going to the website and directly downloading them yourself or by receiving an e-mail message that has a link to the updates (click on the link and the download starts).

Thousands of agents still use the diskette method to receive the new redemption values every six months. Since the inception of BondPro, it was Public Debt's goal to e-mail you updated tables, but the process was not ready until this year. Now, we're encouraging BondPro agents to make the conversion. You can anticipate our call or help us out by contacting us today! E-mail: [bondpro@bpd.treas.gov](mailto:bondpro@bpd.treas.gov). Phone: (304) 480-6888 Fax: (304) 480-7959.

## HOW TO FIND BOND VALUES FOR ANNUAL TAXES

**M**any bond owners report their Savings Bond interest earnings to the Internal Revenue Service annually (accrual basis) rather than deferring the reporting until the bonds are cashed (cash basis). Now there are two ways to calculate the annual interest earnings.

If your customers have access to the Internet, they can calculate annual interest earnings online using the Savings Bond Calculator. It's fast and easy to use...the perfect tool for customers who complain about looking up earnings for a \$500 bond in a table that shows earnings for a \$50 bond. The Calculator does the math for them, and it even allows them to save their inventories for the next year.

To calculate annual interest earnings in tax year 2001, simply enter "12/2001" in the "Value as of" box, enter the series and issue date of the bond, then click "Add". The value returned under "YTD Interest" shows the amount of interest earned that tax year. For complete instructions, visit [www.savingsbonds.gov](http://www.savingsbonds.gov) and click the "Savings Bond Calculator" link or go directly to: [www.savingsbonds.gov/sav/savcalc.htm](http://www.savingsbonds.gov/sav/savcalc.htm).

Persons who do not have a computer can get annual interest earnings from form PD F 3501, "A Comparison of Year End Values from December 31, 2000 to December 31, 2001". This form can be obtained by writing to the Bureau of the Public Debt, Parkersburg, WV, 26106-1328.

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